

HDB/SLC/2023/1070

January 14, 2023

To,

Listing Compliance Department BSE Limited P J Towers, Dalal Street, Mumbai - 400 001	Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, BKC, Bandra (East), Mumbai- 400051
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**Sub: Submission of Unaudited Financial Results along with Limited Review Report for the quarter and nine months ended December 31, 2022, Security Cover certificate and Statement of utilisation**

Dear Sir / Madam,

Pursuant to the provisions of Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, please note that, the Board of Directors at its meeting held on January 14, 2023, have inter-alia, approved the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2022, duly reviewed by the Audit Committee.

Further, please note that the joint Statutory Auditors of the Company, M/s. B. K. Khare & Co. and M/s. KKC & Associates LLP has submitted Limited Review Report for the quarter and nine months ended December 31, 2022 with unmodified opinion.

In terms of Regulation 52 of SEBI Listing Regulations and Chapter VI of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and amendments thereof, we hereby enclose the Standalone and Consolidated Unaudited Financial Results along with the Limited Review Report thereon for the quarter and nine months ended December 31, 2022.

The disclosures in compliance with Regulation 52(4) of the SEBI Listing Regulations are disclosed along with the financial results.

Pursuant to the provisions of Regulation 54 of the SEBI Listing Regulations, please note that the disclosure of the extent and nature of security created and maintained for secured non-convertible securities of the Company and the security cover certificate is made in the unaudited Financial Results for the quarter and nine months ended December 31, 2022.

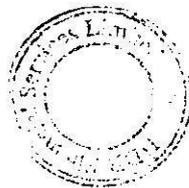
The statement of utilisation of issue proceeds of non-convertible securities pursuant to Regulation 52(7) of the SEBI Listing Regulations and statement of deviation/ variation in use of issue proceeds of non-convertible securities pursuant to Chapter IV of the SEBI Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper, for the quarter ended December 31, 2022 is also enclosed.

You are requested to kindly take the same on record.

This is for your information and appropriate dissemination.

For HDB Financial Services Limited

  
Dipti Khandelwal  
(Company Secretary)  
Membership No. F11340



Encl: a/a

B. K. Khare & Co.  
Chartered Accountants  
706-708, Sharda Chambers  
New Marine Lines  
Mumbai 400020

KKC & Associates LLP  
Chartered Accountants  
Level-19, Sunshine Tower,  
Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai, Maharashtra 400013

Limited review report on unaudited standalone quarterly and year to date financial results of HDB Financial Services Limited under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To  
The Board of Directors of  
HDB Financial Services Limited

### Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of HDB Financial Services Limited ('the Company') for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' specified in section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

### Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



B. K. Khare & Co.  
Chartered Accountants  
706-708, Sharda Chambers  
New Marine Lines  
Mumbai 400020

KKC & Associates LLP  
Chartered Accountants  
Level-19, Sunshine Tower,  
Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai, Maharashtra 400013

## Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **B. K. Khare & Co**  
Chartered Accountants  
Firm Registration Number - 105102W

**Padmini Khare Kaicker**  
Partner  
ICAI Membership No. 044784  
UDIN: 23044784BGXWMV7321



Place: Mumbai  
Date: 14 January 2023

For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number -105146W/W100621

**Hasmukh B Dedhia**  
Partner  
ICAI Membership No. 033494  
UDIN: 23033494BGWSNJ1076



Place: Mumbai  
Date: 14 January 2023

**HDB FINANCIAL SERVICES LIMITED**  
 Regd. Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad- 380 009  
 CIN: U65993GJ2007PLC051028 | www.hdbfs.com  
 Tel: +912249116300 | Fax: +912249116666 | Email: compliance@hdbfs.com

**Statement of Standalone Financial Results**  
 for the quarter and nine months ended December 31, 2022

(Rupees in million)

Particulars	Quarter ended			Nine months ended		Year ended
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
<b>I Revenue from operations</b>						
Interest income	22,576	21,758	20,454	65,461	62,686	83,630
Sale of services	6,706	6,676	5,829	20,103	17,142	23,634
Other financial charges	2,000	1,828	1,700	5,688	3,884	5,690
Net gain on fair value changes	260	214	76	575	230	165
Net gain/(loss) on derecognised financial instruments	5	2	(14)	-	(43)	(56)
<b>Total Revenue from operations</b>	<b>31,547</b>	<b>30,478</b>	<b>28,045</b>	<b>91,827</b>	<b>83,899</b>	<b>1,13,063</b>
<b>II Expenses</b>						
Finance Costs	9,212	8,466	8,229	25,542	25,505	33,255
Impairment on financial instruments	3,132	3,509	5,404	10,624	20,439	24,657
Employee benefits expenses	10,261	10,052	8,482	30,367	25,360	35,004
Depreciation, amortization and impairment	292	262	247	803	744	989
Others expenses	1,940	1,871	1,644	5,549	4,128	5,682
<b>Total expenses</b>	<b>24,837</b>	<b>24,160</b>	<b>24,006</b>	<b>72,885</b>	<b>76,176</b>	<b>99,587</b>
<b>III Profit before tax (I-II)</b>	<b>6,710</b>	<b>6,318</b>	<b>4,039</b>	<b>18,942</b>	<b>7,723</b>	<b>13,476</b>
<b>IV Tax expense:</b>						
a. Current tax	1,586	2,065	2,238	5,539	4,290	6,634
b. Deferred tax	109	(458)	(1,240)	(736)	(2,411)	(3,272)
<b>Total tax expense</b>	<b>1,695</b>	<b>1,607</b>	<b>998</b>	<b>4,803</b>	<b>1,879</b>	<b>3,362</b>
<b>V Net Profit for the period (III-IV)</b>	<b>5,015</b>	<b>4,711</b>	<b>3,041</b>	<b>14,139</b>	<b>5,844</b>	<b>10,114</b>
<b>VI Other Comprehensive Income (net of tax)</b>	<b>(58)</b>	<b>199</b>	<b>200</b>	<b>200</b>	<b>4</b>	<b>138</b>
<b>VII Total Comprehensive Income (after tax) (V-VI)</b>	<b>4,957</b>	<b>4,910</b>	<b>3,241</b>	<b>14,339</b>	<b>5,848</b>	<b>10,252</b>
<b>VIII Earnings per equity share (Refer Note 6)</b>						
a. Basic (in Rupees)	6.34	5.96	3.85	17.88	7.40	12.81
b. Diluted (in Rupees)	6.33	5.96	3.85	17.87	7.40	12.80
Face value per share (in Rupees)	10	10	10	10	10	10

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**Notes:**

- 1 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 2 The standalone financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 14, 2023.
- 3 The standalone financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 4 In compliance with Regulation 33 and 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of standalone financial results for the quarter and nine months ended December 31, 2022 and December 31, 2021 and for the quarter ended September 30, 2022 have been carried out by the Statutory Auditors of the Company.
- 5 The figures for the quarter ended December 31, 2022 and December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2022 and December 31, 2021 and the reviewed figures for the half year ended September 30, 2022 and September 30, 2021 respectively.
- 6 Earnings per equity share for the quarter and nine months ended December 31, 2022 and December 31, 2021 and for quarter ended September 30, 2022 have not been annualised.
- 7 The Board in its meeting held on December 16, 2022, has declared an Interim Dividend of Rs. 0.90 (Ninety paise only) per share (i.e. 9% on face value of each equity shares) for the FY 2022-23.
- 8 Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021, the Company has listed its Commercial Papers on National Stock Exchange (NSE).
- 9 Other equity include Statutory Reserve as per Section 451C of Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and Cash flow hedge.
- 10 The secured listed non-convertible debt securities of the Company are secured by first pari passu mortgage on immovable property situated at Heera Panna Commercial Complex, 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the outstanding principal and interest there on.
- 11 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- 12 The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 2.
- 13 As on December 31, 2022 the security cover available in respect of secured non convertible debt securities is 1.10 and the asset cover available in respect of unsecured non convertible debt securities is 3.04. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 3.
- 14 The Reserve Bank of India, under Scale Based Regulations has categorised the Company as Upper Layer (NBFC-UL), vide its circular dated Sept 30, 2022. Management has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/ changes suggested as and when they become applicable.
- 15 Details of loans transferred / acquired during the quarter ended December 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of non-performing assets (NPAs) transferred are given

(Rupees in million)

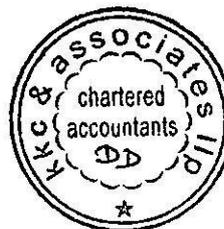
Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees
Number of accounts	447	-	-
Aggregate principal outstanding of loans transferred	662	-	-
Weighted average residual tenor of the loans transferred (in years)	7	-	-
Net book value of loans transferred	515	-	-
Aggregate consideration	477	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

- (ii) The company has not acquired any Special Mention Account.
- (iii) The company has not acquired any stressed loan and loan not in default.

16 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

By Order of the Board  
For HDB Financial Services Limited

G. Ramesh  
Managing Director & CEO  
DIN : 05291597



Date : January 14, 2023  
Place : Mumbai

HDB Financial Services Limited

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2022.

S.N.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt-equity ratio (times) <sup>1</sup>	5.34	5.48	5.93	5.34	5.93	5.77
2	Debt service coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest service coverage ratio	NA	NA	NA	NA	NA	NA
4	Outstanding redeemable preference shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding redeemable preference shares (value) (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
7	Debenture redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
8	Net worth (Rs. in millions) <sup>2</sup>	97,623	92,950	81,039	97,623	81,039	84,886
9	Net profit after tax (Rs. in millions)	5,015	4,711	3,041	14,139	5,844	10,114
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	6.34	5.96	3.85	17.88	7.40	12.81
	Diluted (Rs.)	6.33	5.96	3.85	17.87	7.40	12.80
11	Current ratio	1.18	1.12	1.31	1.18	1.31	1.19
12	Long term debt to working capital	8.26	10.62	6.07	8.26	6.07	8.09
13	Bad debts to accounts receivable ratio	NA	NA	NA	NA	NA	NA
14	Current liability ratio	39.76%	43.13%	34.10%	39.76%	34.10%	38.97%
15	Total debts to total assets	78.92%	79.02%	79.75%	78.92%	79.75%	78.96%
16	Debtors turnover	NA	NA	NA	NA	NA	NA
17	Inventory turnover	NA	NA	NA	NA	NA	NA
18	Operating margin (%)	NA	NA	NA	NA	NA	NA
19	Net profit margin (%)	15.40%	15.14%	6.96%	15.40%	6.96%	8.95%
20	Sector specific equivalent ratios						
	Capital adequacy ratio (%)	20.50%	20.80%	20.33%	20.50%	20.33%	20.22%
	Gross Stage 3 ratio (%)	3.73%	4.88%	6.05%	3.73%	6.05%	4.99%
	Liquidity coverage ratio (%)	212%	382%	222%	212%	222%	102%
	Stage 3 provision coverage ratio (%)	57.29%	55.93%	50.07%	57.29%	50.07%	54.13%

Notes:

- 1) Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Net worth.
- 2) Net worth is equal to paid up equity share capital plus other equity less deferred tax.

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Annexure 2  
Standalone Segment Reporting  
for the quarter and nine months ended December 31, 2022

(Rupees in million)

S.N.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	<b>Segment Revenue</b>						
	Lending business	24,842	23,802	22,216	71,725	66,757	89,429
	BPO Services	6,705	6,676	5,829	20,102	17,142	23,634
	Unallocated	-	-	-	-	-	-
	<b>Income from Operations</b>	<b>31,547</b>	<b>30,478</b>	<b>28,045</b>	<b>91,827</b>	<b>83,899</b>	<b>1,13,063</b>
2	<b>Segment Results</b>						
	Lending business	6,395	5,999	3,817	17,992	7,336	12,387
	BPO Services	369	372	380	1,109	794	1,347
	Unallocated	(54)	(53)	(158)	(159)	(407)	(258)
	<b>Profit before tax</b>	<b>6,710</b>	<b>6,318</b>	<b>4,039</b>	<b>18,942</b>	<b>7,723</b>	<b>13,476</b>
	<b>Income Tax expenses</b>						
	Current tax	1,586	2,065	2,238	5,539	4,290	6,634
	Deferred tax Asset	109	(458)	(1,240)	(736)	(2,411)	(3,272)
	<b>Net Profit</b>	<b>5,015</b>	<b>4,711</b>	<b>3,041</b>	<b>14,139</b>	<b>5,844</b>	<b>10,114</b>
3	<b>Capital Employed</b>						
	<b>Segment assets</b>						
	Lending business	6,46,939	6,31,589	5,90,666	6,46,939	5,90,666	6,08,127
	BPO Services	1,839	2,218	1,133	1,839	1,133	1,487
	Unallocated	11,520	11,408	10,759	11,520	10,759	10,645
	<b>Total Assets</b>	<b>6,60,298</b>	<b>6,45,215</b>	<b>6,02,558</b>	<b>6,60,298</b>	<b>6,02,558</b>	<b>6,20,259</b>
	<b>Segment Liabilities</b>						
	Lending business	5,46,786	5,36,141	5,08,208	5,46,786	5,08,208	5,20,093
	BPO Services	1,450	1,357	1,714	1,450	1,714	956
	Unallocated	3,258	3,498	1,886	3,258	1,886	3,813
	<b>Total Liabilities</b>	<b>5,51,494</b>	<b>5,40,996</b>	<b>5,11,808</b>	<b>5,51,494</b>	<b>5,11,808</b>	<b>5,24,862</b>
	<b>Net Segment assets / (liability)</b>	<b>1,08,804</b>	<b>1,04,219</b>	<b>90,750</b>	<b>1,08,804</b>	<b>90,750</b>	<b>95,397</b>

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Managing Director & CEO of the Company has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and BPO services. Lending business includes providing finance to retail customers for a variety of purposes like purchase of commercial equipment and commercial vehicles, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) Interest Income and processing fees net of loan origination costs, (ii) collection-related charges like cheque bouncing charges, late payment charges and foreclosure charges, and (iii) insurance commission. BPO services comprises of sales support services, back office, operations, processing support, running collection call centres and collecting overdue amounts from borrowers.

Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of that segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

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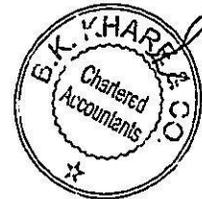


HDB Financial Services Limited

Annexure 3

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on December 31, 2022.															
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Part-Passu Charge	Part-Passu Charge	Part-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being Issued	Other Secured Debt	Debt for which this certificate being Issued	Assets shared by pari passu debt holder (Includes debt for which this certificate is Issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets whose market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets whose market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(L+M+N+O)	
		Book Value	Book Value	Yes/No	Book Value	Book Value								Relating to Column F	
<b>ASSETS</b>															
Property, Plant and Equipment	Immovable Property (Note 1)	-	-	Yes	1		1,043	-	-	1,044	-	-	2	-	2
Capital Work-in-Progress		-	-		-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-		-	-	2,288	-	-	2,288	-	-	-	-	-
Goodwill		-	-		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-		-	-	206	-	-	206	-	-	-	-	-
Intangible Assets under Development		-	-		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-		-	-	17,996	-	-	17,996	-	-	-	-	-
Loans	Receivables under financing activities (Note 2)	2,93,553	2,46,640				1,10,838	-	-	6,51,029	-	2,93,653	-	-	2,93,553
Inventories		-	-		-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-		-	-	1,554	-	-	1,554	-	-	-	-	-
Cash and Cash Equivalents		-	-		-	-	5,041	-	-	5,041	-	-	-	-	-
Bank Balances other than Cash Equivalents		-	-		-	-	1,585	-	-	1,585	-	-	-	-	-
Others		-	-		-	-	14,909	-	-	14,909	-	-	-	-	-
<b>Total</b>		<b>2,93,553</b>	<b>2,46,640</b>		<b>1</b>	<b>-</b>	<b>1,55,438</b>	<b>-</b>	<b>-</b>	<b>6,95,632</b>	<b>-</b>	<b>2,93,553</b>	<b>2</b>	<b>-</b>	<b>2,93,553</b>

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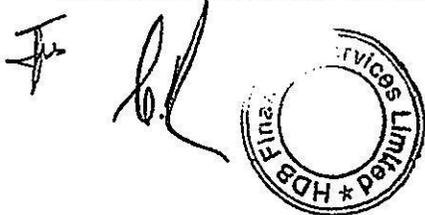
HDB Financial Services Limited

Annexure 3

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on December 31, 2022.															
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Parl-Passu Charge	Parl-Passu Charge	Parl-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by parl passu debt holder (includes debt for which this certificate is issued & other debt with parl-passu charge)	Other assets on which there is parl-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus parl passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Parl passu charge Assets	Carrying value/book value for parl passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(L+M+N+O)	
		Book Value	Book Value	Yes/No	Book Value	Book Value									
<b>LIABILITIES</b>															
Debt securities to which this certificate pertains		2,66,866	-	Yes	-	-	-	-	-	2,66,866	-	2,66,866	-	-	2,66,866
Other debt sharing parl-passu charge with above debt															
Other Debt(ESB+Sec)			23,853							23,853					
Subordinated debt										32,048					
Borrowings	not to be filled														
Bank(TL)			2,00,366							2,00,366					
Debt Securities(PDI)									6,668	6,668					
Others(CP)									2,000	2,000					
Trade payables							2,828			2,828					
Lease Liabilities							2,633			2,633					
Provisions(Incl.NPA)							38,304			38,304					
Others-Liab							11,263			11,263					
<b>Total</b>		<b>2,66,866</b>	<b>2,24,219</b>				<b>55,028</b>			<b>40,714</b>		<b>2,66,866</b>			<b>2,66,866</b>
Cover on Book Value		1.10													
Cover on Market Value		1.10													
		Exclusive Security Cover Ratio			Parl-Passu Security Cover Ratio										

Notes:

- 1) The market value of Rs 2 million of the immovable property is on the basis of certified valuation done on April 15, 2022.
- 2) Receivable under financing activities consist of large number of small ticket loans. This is part of the non trading book where loans are in the nature of held to maturity and created with a sole objective of collecting principal and interest. Therefore company has considered the book value (before netting off impairment) for this certificate.
- 3) We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured Redeemable Non-convertible Debentures for the period ended December 31, 2022.



B. K. Khare & Co.  
Chartered Accountants  
706-708, Sharda Chambers  
New Marine Lines  
Mumbai 400020

KKC & Associates LLP  
Chartered Accountants  
Level-19, Sunshine Tower,  
Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai, Maharashtra 400013

Limited review report on unaudited consolidated quarterly and year to date financial results of HDB Financial Services Limited under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
HDB Financial Services Limited

### Introduction

1. We have reviewed the accompanying statement of unaudited consolidated financial results of HDB Financial Services Limited ('the Parent') and its controlled structured entities (the Parent and its controlled structured entities together referred to as 'the Group') for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 ('the Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 and, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

### Scope of Review

3. We conducted our review of the statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the result of the following entities:

#	Name of the entity	Relationship
1	HDB Financial Services Limited	Parent Company
2	Venus Trust September 2020	Controlled Structured Entities
3	Venus Trust March 2021	Controlled Structured Entities
4	Venus Trust March 2022	Controlled Structured Entities



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Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai, Maharashtra 400013

### Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

### Other Matters

6. The Statement includes the interim financial information of 3 controlled structure entities which have not been reviewed/audited by their auditors, whose interim financial information reflect total revenue is Nil and Nil , total net profit after tax is Nil and Nil and total comprehensive income is Nil and Nil for the quarter ended 31 December 2022 and for the period from 1 April 2022 to 31 December 2022 respectively. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For **B. K. Khare & Co**  
Chartered Accountants  
Firm Registration Number - 105102W

**Padmini Khare Kaicker**  
Partner  
ICAI Membership No. 044784  
UDIN: 23044784BGXWMW5434



Place: Mumbai  
Date: 14 January 2023

For **KKC & Associates LLP**  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number -105146W/W100621

**Hasmukh B Dedhia**  
Partner  
ICAI Membership No. 033494  
UDIN: 23033494BGWSNK5507



Place: Mumbai  
Date: 14 January 2023

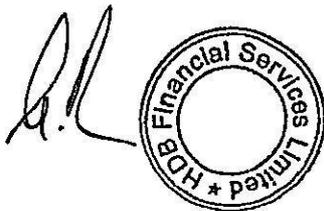
**HDB FINANCIAL SERVICES LIMITED**  
 Regd. Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad- 380 009  
 CIN: U65993GJ2007PLC051028 | www.hdbfs.com  
 Tel: +912249116300 | Fax: +912249116666 | Email: compliance@hdbfs.com

**Statement of Consolidated Financial Results**  
 for the quarter and nine months ended December 31, 2022

(Rupees in million)

Particulars	Quarter ended			Nine months ended		Year ended
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
<b>I Revenue from operations</b>						
Interest income	22,576	21,758	20,454	65,461	62,686	83,630
Sale of services	6,706	6,676	5,829	20,103	17,142	23,634
Other financial charges	2,000	1,828	1,700	5,688	3,884	5,690
Net gain on fair value changes	260	214	76	575	230	165
Net gain/(loss) on derecognised financial instruments	5	2	(14)	-	(43)	(56)
<b>Total Revenue from operations</b>	<b>31,547</b>	<b>30,478</b>	<b>28,045</b>	<b>91,827</b>	<b>83,899</b>	<b>1,13,063</b>
<b>II Expenses</b>						
Finance Costs	9,212	8,466	8,229	25,542	25,505	33,255
Impairment on financial instruments	3,132	3,509	5,404	10,624	20,439	24,657
Employee benefits expenses	10,261	10,052	8,482	30,367	25,360	35,004
Depreciation, amortization and impairment	292	262	247	803	744	989
Others expenses	1,940	1,871	1,644	5,549	4,128	5,682
<b>Total expenses</b>	<b>24,837</b>	<b>24,160</b>	<b>24,006</b>	<b>72,885</b>	<b>76,176</b>	<b>99,587</b>
<b>III Profit before tax (I-II)</b>	<b>6,710</b>	<b>6,318</b>	<b>4,039</b>	<b>18,942</b>	<b>7,723</b>	<b>13,476</b>
<b>IV Tax expense:</b>						
a. Current tax	1,586	2,065	2,238	5,539	4,290	6,634
b. Deferred tax	109	(458)	(1,240)	(736)	(2,411)	(3,272)
<b>Total tax expense</b>	<b>1,695</b>	<b>1,607</b>	<b>998</b>	<b>4,803</b>	<b>1,879</b>	<b>3,362</b>
<b>V Net Profit for the period (III-IV)</b>	<b>5,015</b>	<b>4,711</b>	<b>3,041</b>	<b>14,139</b>	<b>5,844</b>	<b>10,114</b>
<b>VI Other Comprehensive Income (net of tax)</b>	<b>(58)</b>	<b>199</b>	<b>200</b>	<b>200</b>	<b>4</b>	<b>138</b>
<b>VII Total Comprehensive Income (after tax) (V-VI)</b>	<b>4,957</b>	<b>4,910</b>	<b>3,241</b>	<b>14,339</b>	<b>5,848</b>	<b>10,252</b>
<b>VIII Earnings per equity share (Refer Note 6)</b>						
a. Basic (in Rupees)	6.34	5.96	3.85	17.88	7.40	12.81
b. Diluted (in Rupees)	6.33	5.96	3.85	17.87	7.40	12.80
Face value per share (in Rupees)	10	10	10	10	10	10

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Notes:

- 1 HDB Financial Services Limited ('the Group') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 2 The consolidated financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 14, 2023.
- 3 The consolidated financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 4 In compliance with Regulation 33 and 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of consolidated financial results for the quarter and nine months ended December 31, 2022 and December 31, 2021 and for the quarter ended September 30, 2022 have been carried out by the Statutory Auditors of the Group.
- 5 The figures for the quarter ended December 31, 2022 and December 31, 2021 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2022 and December 31, 2021 and the reviewed figures for the half year ended September 30, 2022 and September 30, 2021 respectively.
- 6 Earnings per equity share for the quarter and nine months ended December 31, 2022 and December 31, 2021 and for quarter ended September 30, 2022 have not been annualised.
- 7 The Board in its meeting held on December 16, 2022, has declared an Interim Dividend of Rs. 0.90 (Ninety paise only) per share (i.e. 9% on face value of each equity shares) for the FY 2022-23.
- 8 Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021, the Group has listed its Commercial Papers on National Stock Exchange (NSE).
- 9 Other equity include Statutory Reserve as per Section 451C of Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and Cash flow hedge.
- 10 The secured listed non-convertible debt securities of the Group are secured by first pari passu mortgage on immovable property situated at Heera Panna Commercial Complex, 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Group by way of hypothecation to the extent of minimum 1.1 times of the outstanding principal and interest there on.
- 11 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- 12 The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 2.
- 13 As on December 31, 2022 the security cover available in respect of secured non convertible debt securities is 1.10 and the asset cover available in respect of unsecured non convertible debt securities is 3.04. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 3.
- 14 The Reserve Bank of India, under Scale Based Regulations has categorised the Group as Upper Layer (NBFC-UL), vide it's circular dated Sept 30, 2022. Management has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/ changes suggested as and when they become applicable.
- 15 Details of loans transferred / acquired during the quarter ended December 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of non-performing assets (NPAs) transferred are given

(Rupees in million)

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees
Number of accounts	447	-	-
Aggregate principal outstanding of loans transferred	662	-	-
Weighted average residual tenor of the loans transferred (in years)	7	-	-
Net book value of loans transferred	515	-	-
Aggregate consideration	477	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

- (ii) The Group has not acquired any Special Mention Account.
- (iii) The Group has not acquired any stressed loan and loan not in default.

16 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

By Order of the Board  
For HDB Financial Services Limited

G. Ramesh  
Managing Director & CEO  
DIN : 05291597



Date : January 14, 2023  
Place : Mumbai

*[Handwritten signature]*

HDB Financial Services Limited

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2022.

S.N.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt-equity ratio (times) <sup>1</sup>	5.34	5.48	5.93	5.34	5.93	5.77
2	Debt service coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest service coverage ratio	NA	NA	NA	NA	NA	NA
4	Outstanding redeemable preference shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding redeemable preference shares (value) (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
7	Debenture redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
8	Net worth (Rs. in millions) <sup>2</sup>	97,623	92,950	81,039	97,623	81,039	84,886
9	Net profit after tax (Rs. in millions)	5,015	4,711	3,041	14,139	5,844	10,114
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	6.34	5.96	3.85	17.88	7.40	12.81
	Diluted (Rs.)	6.33	5.96	3.85	17.87	7.40	12.80
11	Current ratio	1.18	1.12	1.31	1.18	1.31	1.19
12	Long term debt to working capital	8.26	10.62	6.07	8.26	6.07	8.09
13	Bad debts to accounts receivable ratio	NA	NA	NA	NA	NA	NA
14	Current liability ratio	39.76%	43.13%	34.10%	39.76%	34.10%	38.97%
15	Total debts to total assets	78.92%	79.02%	79.75%	78.92%	79.75%	78.96%
16	Debtors turnover	NA	NA	NA	NA	NA	NA
17	Inventory turnover	NA	NA	NA	NA	NA	NA
18	Operating margin (%)	NA	NA	NA	NA	NA	NA
19	Net profit margin (%)	15.40%	15.14%	6.96%	15.40%	6.96%	8.95%
20	Sector specific equivalent ratios						
	Capital adequacy ratio (%)	20.50%	20.80%	20.33%	20.50%	20.33%	20.22%
	Gross Stage 3 ratio (%)	3.73%	4.88%	6.05%	3.73%	6.05%	4.99%
	Liquidity coverage ratio (%)	212%	382%	222%	212%	222%	102%
	Stage 3 provision coverage ratio (%)	57.29%	55.93%	50.07%	57.29%	50.07%	54.13%

Notes:

- 1) Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Net worth.
- 2) Net worth is equal to paid up equity share capital plus other equity less deferred tax.

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Annexure 2  
Consolidated Segment Reporting  
for the quarter and nine months ended December 31, 2022

(Rupees in million)

S.N.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	<b>Segment Revenue</b>						
	Lending business	24,842	23,802	22,216	71,725	66,757	89,429
	BPO Services	6,705	6,676	5,829	20,102	17,142	23,634
	Unallocated	-	-	-	-	-	-
	<b>Income from Operations</b>	<b>31,547</b>	<b>30,478</b>	<b>28,045</b>	<b>91,827</b>	<b>83,899</b>	<b>1,13,063</b>
2	<b>Segment Results</b>						
	Lending business	6,395	5,999	3,817	17,992	7,336	12,387
	BPO Services	369	372	380	1,109	794	1,347
	Unallocated	(54)	(53)	(158)	(159)	(407)	(258)
	<b>Profit before tax</b>	<b>6,710</b>	<b>6,318</b>	<b>4,039</b>	<b>18,942</b>	<b>7,723</b>	<b>13,476</b>
	<b>Income Tax expenses</b>						
	Current tax	1,586	2,065	2,238	5,539	4,290	6,634
	Deferred tax Asset	109	(458)	(1,240)	(736)	(2,411)	(3,272)
	<b>Net Profit</b>	<b>5,015</b>	<b>4,711</b>	<b>3,041</b>	<b>14,139</b>	<b>5,844</b>	<b>10,114</b>
3	<b>Capital Employed</b>						
	<b>Segment assets</b>						
	Lending business	6,46,939	6,31,589	5,90,666	6,46,939	5,90,666	6,08,127
	BPO Services	1,839	2,218	1,133	1,839	1,133	1,487
	Unallocated	11,520	11,408	10,759	11,520	10,759	10,645
	<b>Total Assets</b>	<b>6,60,298</b>	<b>6,45,215</b>	<b>6,02,558</b>	<b>6,60,298</b>	<b>6,02,558</b>	<b>6,20,259</b>
	<b>Segment Liabilities</b>						
	Lending business	5,46,786	5,36,141	5,08,208	5,46,786	5,08,208	5,20,093
	BPO Services	1,450	1,357	1,714	1,450	1,714	956
	Unallocated	3,258	3,498	1,886	3,258	1,886	3,813
	<b>Total Liabilities</b>	<b>5,51,494</b>	<b>5,40,996</b>	<b>5,11,808</b>	<b>5,51,494</b>	<b>5,11,808</b>	<b>5,24,862</b>
	<b>Net Segment assets / (liability)</b>	<b>1,08,804</b>	<b>1,04,219</b>	<b>90,750</b>	<b>1,08,804</b>	<b>90,750</b>	<b>95,397</b>

## a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Managing Director & CEO of the Group has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

## b) Operating Segment

## Primary Segment (Business Segment)

The Group is organised primarily into two operating segments, i.e. Lending business and BPO services. Lending business includes providing finance to retail customers for a variety of purposes like purchase of commercial equipment and commercial vehicles, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) interest income and processing fees net of loan origination costs, (ii) collection-related charges like cheque bouncing charges, late payment charges and foreclosure charges, and (iii) insurance commission. BPO services comprises of sales support services, back office, operations, processing support, running collection call centres and collecting overdue amounts from borrowers.

## Secondary Segment (Geographical Segment)

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

## c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of that segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

## d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

## e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

F

e.l.



HDB Financial Services Limited

Annexure 3

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on December 31, 2022.															
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Parl-Passu Charge	Parl-Passu Charge	Parl-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by parl passu debt holder (includes debt for which this certificate is issued & other debt with parl-passu charge)	Other assets on which there is parl-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus parl passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Parl passu charge Assets	Carrying value/book value for parl passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)	
		Book Value	Book Value	Yes/No	Book Value	Book Value									Relating to Column F
<b>ASSETS</b>															
Property, Plant and Equipment	Immovable Property (Note 1)	-	-	Yes	1		1,043	-	-	1,044	-	-	2	-	2
Capital Work-in-Progress		-	-		-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-		-	-	2,288	-	-	2,288	-	-	-	-	-
Goodwill		-	-		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-		-	-	208	-	-	208	-	-	-	-	-
Intangible Assets under Development		-	-		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-		-	-	17,996	-	-	17,996	-	-	-	-	-
Loans	Receivables under financing activities (Note 2)	2,93,553	2,46,640				1,10,838	-	-	6,51,029	-	2,93,553	-	-	2,93,553
Inventories		-	-		-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-		-	-	1,554	-	-	1,554	-	-	-	-	-
Cash and Cash Equivalents		-	-		-	-	5,041	-	-	5,041	-	-	-	-	-
Bank Balances other than Cash		-	-		-	-	-	-	-	-	-	-	-	-	-
Equivalents		-	-		-	-	1,585	-	-	1,585	-	-	-	-	-
Others		-	-		-	-	14,909	-	-	14,909	-	-	-	-	-
<b>Total</b>		<b>2,93,553</b>	<b>2,46,640</b>		<b>1</b>	<b>-</b>	<b>1,55,438</b>	<b>-</b>	<b>-</b>	<b>6,95,632</b>	<b>-</b>	<b>2,93,553</b>	<b>2</b>	<b>-</b>	<b>2,93,553</b>

Fr  




HDB Financial Services Limited

Annexure 3

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on December 31, 2022.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Parl-Passu Charge	Parl-Passu Charge	Parl-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by parl passu debt holder (Includes debt for which this certificate is issued & other debt with parl-passu charge)	Other assets on which there is parl-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus parl passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Parl passu charge Assets	Carrying value/book value for parl passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)	
		Book Value	Book Value	Yes/No	Book Value	Book Value									
<b>LIABILITIES</b>															
Debt securities to which this certificate pertains		2,66,866	-	Yes	-	-	-	-	-	2,66,866	-	2,66,866	-	-	2,66,866
Other debt sharing parl-passu charge with above debt															
Other Debt(ECB+Sec)			23,853							23,853					
Subordinated debt										32,048		32,048			
Borrowings	not to be filled														
Bank(TL)			2,00,368							2,00,368					
Debt Securities(PDI)									6,666	6,666					
Others(CP)									2,000	2,000					
Trade payables							2,828			2,828					
Lease Liabilities							2,633			2,633					
Provisions(incl.NPA)							38,304			38,304					
Others-Liab							11,263			11,263					
<b>Total</b>		<b>2,66,866</b>	<b>2,24,219</b>				<b>55,028</b>			<b>40,714</b>		<b>5,86,827</b>		<b>2,66,866</b>	
Cover on Book Value		1.10													
Cover on Market Value		1.10													
		Exclusive Security Cover Ratio			Parl-Passu Security Cover Ratio										

Notes:

- 1) The market value of Rs 2 million of the immovable property is on the basis of certified valuation done on April 15, 2022.
- 2) Receivable under financing activities consist of large number of small ticket loans. This is part of the non trading book where loans are in the nature of held to maturity and created with a sole objective of collecting principal and interest. Therefore Group has considered the book value (before netting off impairment) for this certificate.
- 3) We confirm that the Group has complied with the covenants mentioned in the disclosure documents of the Secured Redeemable Non-convertible Debentures for the period ended December 31, 2022.



January 14, 2023

To,  
 BSE Limited  
 P. J. Towers,  
 Dalal Street, Mumbai – 400 001

**K.A.: Listing Compliance Department**

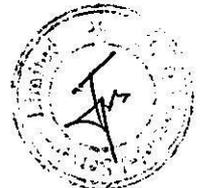
**Sub.: Statement of utilisation of issue proceeds under Regulation 52(7) and Statement of deviation/ variation under Regulation 52(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir / Madam,

A. Pursuant to the Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that, the proceeds of the below Non-Convertible Securities issued by the Company during the quarter ended December 31, 2022, listed on the Stock Exchange, have been utilised for the purpose for which these proceeds were raised in accordance with the respective Offer Documents of the issues:

Name of the issuer: HDB Financial Services Limited

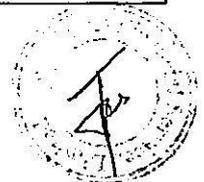
ISIN	Mode of Fund Raising (Public issues / Private placement)	Type of instrument	Date of raising funds	Amount Raised (Rs.in Crore)	Fund utilised (Rs.in Crore)	Any deviation (Yes/No)	If Yes, then specify the purpose of for which the funds were utilised	Remarks, if any
INE756I07EF0	Private Placement	NCD	October 14, 2022	57.00	57.00	No	NA	NA
INE756I07E14	Private Placement	NCD	October 14, 2022	45.00	45.00	No	NA	NA
INE756I07EK0	Private Placement	NCD	October 25, 2022	250.00	250.00	No	NA	NA
INE756I07EL8	Private Placement	NCD	October 25, 2022	810.00	810.00	No	NA	NA
INE756I07EK0	Private Placement	NCD	November 17, 2022	200.00	200.00	No	NA	NA



ISIN	Mode of Fund Raising (Public issues / Private placement)	Type of instrument	Date of raising funds	Amount Raised (Rs.in Crore)	Fund utilised (Rs.in Crore)	Any deviation (Yes/No)	If Yes, then specify the purpose of for which the funds were utilised	Remarks, if any
INE756I07EL8	Private Placement	NCD	November 17, 2022	650.00	650.00	No	NA	NA
INE756I07EM6	Private Placement	NCD	November 17, 2022	260.00	260.00	No	NA	NA
INE756I07EK0	Private Placement	NCD	December 21, 2022	85.00	85.00	No	NA	NA
INE756I07EN4	Private Placement	NCD	December 21, 2022	185.00	185.00	No	NA	NA

**B. Statement of deviation/ variation in use of Issue proceeds for the quarter ended December 31, 2022:**

Particulars	Remarks
Name of the listed entity	HDB Financial Services Limited
Mode of fund raising	Public issue/ Private placement
Type of Instrument	Non-convertible Securities
Date of raising funds	As mentioned in above table
Amount raised	As per mentioned in above table
Report filed for quarter ended	December 31, 2022
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	No
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the deviation/ variation	Not Applicable
Comments of the audit committee after review.	None
Comments of the auditors, if any	None
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:	



Original object	<table border="1"> <thead> <tr> <th>Purpose</th> <th>Percentage of fund raised (%)</th> </tr> </thead> <tbody> <tr> <td>For disbursements of loans to borrowers</td> <td>Upto 100</td> </tr> <tr> <td>For refinancing existing borrowings/ repayment of existing borrowings</td> <td>Upto 75</td> </tr> <tr> <td>For general corporate purposes</td> <td>Upto 50</td> </tr> </tbody> </table>	Purpose	Percentage of fund raised (%)	For disbursements of loans to borrowers	Upto 100	For refinancing existing borrowings/ repayment of existing borrowings	Upto 75	For general corporate purposes	Upto 50
	Purpose	Percentage of fund raised (%)							
	For disbursements of loans to borrowers	Upto 100							
	For refinancing existing borrowings/ repayment of existing borrowings	Upto 75							
For general corporate purposes	Upto 50								
<p>Further, pending utilisation, the issue proceeds may be utilised / invested as may be approved from time to time in the ordinary course of business, in fixed deposits with banks, mutual fund units, etc.</p> <p>In addition to the purpose stated above, in case of NCD series 186, 187 and 188 allotted on October 25, 2022, November 17, 2022 and December 21, 2022 respectively, the following was the additional object of the issue:</p> <p>The proceeds of the issuance shall be in accordance with RBI guidelines applicable for bank finance to NBFCs.</p>									
Modified object, if any	Nil								
Original allocation	Funds have been allocated as per the objects stated above in compliance with the applicable laws.								
Modified allocation, if any	Nil								
Funds utilised	Funds have been utilised as per the objects stated above in compliance with the applicable laws.								
Amount of deviation/ variation for the quarter according to application object (in Rs. crore and in %)	Not Applicable								
Remarks, if any	Nil								

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilised as against what was originally disclosed.

Please take the above on record.  
For HDB Financial Services Limited

  
 Jaykumar Shah  
 Chief Financial Officer

